

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0144-01
Bill No.: SB 128
Subject: Social Services; Public Assistance; Utilities; Elderly
Type: Original
Date: January 27, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$85,249 to Unknown)	(\$54,646 to Unknown)	(\$56,018 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$85,249 to UNKNOWN)	(\$54,646 to UNKNOWN)	(\$56,018 to UNKNOWN)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Utilicare Stabilization Fund *	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

* Subject to appropriations. Revenues and expenditures to Utilicare Stabilization Fund net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP.

Officials from the **Department of Revenue (DOR)** state this legislation requires the increase in state sales tax revenue received from sales of natural gas be deposited into the Utilicare Stabilization Fund. DOR is to report annually any increase in state sales tax revenues from sales of natural gas in comparison to total state tax revenues from sales of natural gas in FY 2001.

The Division of Taxation and Collection is not sure where the source of the information will come from. The current sales tax return does not support the detail necessary to determine the sales tax revenue generated from natural gas sales (these sales are presently not separated on the return). Therefore, the Division of Taxation and Collection cannot obtain the data to support the FY 2001 baseline comparison year.

DOR assumes in order to track the sales tax revenue generated from natural gas sales, the item tax approach would be used. This will add additional lines on the returns that would need to be keyed. Business Tax, Sales Tax Processing Section will need 1 Tax Processing Technician I for every additional 34,000 errors generated and 1 Clerk II in Pre-Edit for every 184,000 returns impacted.

ASSUMPTION (continued)

In order to program MITS to recognize natural gas as an item tax and track the revenues received, DOR assumes 692 hours of programming at a total cost of \$23,085 will be required. The State Data Center charges to implement the proposed legislation are \$4,503.

Oversight has, for fiscal note purposes only, changed the starting salary for the Tax Processing Technician and the Office Support Assistant to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Department of Social Services (DOS)** state no fiscal impact is anticipated as a result of the proposed legislation. This bill would give the DOS additional funds in the Utilicare Stabilization Fund equal to the difference between the amount of state sales tax revenues received from natural gas in the current year less the amount of state sales tax revenues received from natural gas in FY 2001. The bill authorizes the use of the Utilicare Stabilization Fund, at such time all federal funds available for the purpose of heating and cooling expenses are obligated. Any revenues DOS receives would be utilized for energy assistance programs as outlined in the statute. DOS defers to the DOR to calculate any revenues as a result of this legislation.

Officials from the **Department of Natural Resources (DNR)** assume this bill may result in additional funds being appropriated for low-income weatherization programs operated by the DNR Energy Center. DNR states that the amount of potential increase in funding is subject to appropriation and is not specified in this proposal. The DNR assumes distribution of any additional funds would be handled with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost - Department of Revenue</u>			
Personal Service (2 FTE)	(\$31,027)	(\$38,163)	(\$39,117)
Fringe Benefits	(\$12,557)	(\$15,445)	(\$15,831)
Expense and Equipment	(\$14,077)	(\$1,038)	(\$1,070)
Programming	<u>(\$27,588)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs - DOR	(\$85,249)	(\$54,646)	(\$56,018)

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<u>Transfer Out</u> - Utilicare Stabilization Fund			
Increase in natural gas sales tax in FY01	(Unknown)	(Unknown)	(Unknown)
TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$85,249 to Unknown)</u>	<u>(\$54,646 to Unknown)</u>	<u>(\$56,018 to Unknown)</u>

- SUBJECT TO APPROPRIATION -

UTILICARE STABILIZATION FUND

<u>Income</u> - Transfer from General Revenue to Utilicare Stabilization Fund	Unknown	Unknown	Unknown
<u>Cost</u> - Heating Assistance Program	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON UTILICARE STABILIZATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

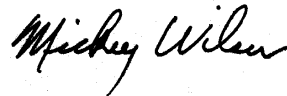
This proposal allocates the increase in state sales tax revenues resulting from increases in the cost of natural gas in the 2000-2001 heating season to the Utilicare Stabilization Fund. This fund is used to provide heating assistance to those persons unable to pay utility costs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal has an emergency clause.

SOURCES OF INFORMATION

Department of Revenue
Department of Social Services
Office of Administration
Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 27, 2003